

Samuel A. Schwartz, Esq.
Nevada Bar No. 10985
Bryan A. Lindsey, Esq.
Nevada Bar No. 10662
Schwartz Law Firm, Inc.
701 E. Bridger Avenue, Suite 120
Las Vegas, Nevada 89101
Telephone: (702) 385-5544
Facsimile: (702) 385-2741
Proposed Attorneys for the Debtor
and Debtor-in-Possession

E-Filed: December 17, 2010

**THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:)	CASE NO.: 10-32725-BAM
)	
Ad Systems Communications, Inc.,)	Chapter 11
)	
Debtor.)	Hearing Date: January 18, 2011
)	Hearing Time: 10:00 a.m.
)	

**APPLICATION FOR THE ENTRY OF AN ORDER AUTHORIZING
THE DEBTOR TO EMPLOY AND RETAIN CANE CLARK LLP AS
SPECIAL SECURITIES COUNSEL FOR THE DEBTOR**

Ad Systems Communications, Inc., the debtor and debtor-in-possession in the above-referenced case(the “**Debtor**”) hereby applies to this Court (the “**Application**”) for the entry of an order authorizing the Debtor’s employment and retention of Cane Clark LLP (“**Cane Clark**”) as special securities counsel for the Debtor. In support of this Application, the Debtor submits the Declaration of Scott Doney of Cane Clark, LLP (the “**Doney Declaration**”), which is attached hereto as **Exhibit A** and incorporated by reference herein. In further support of this Application, the Debtor respectfully states as follows:

BACKGROUND

1. On December 6, 2010 (the “**Petition Date**”), the Debtor filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, 11

1 U.S.C. §§ 101-1532 (as amended, the “**Bankruptcy Code**”).The Debtor continues to operate its
2 business and manage its properties as debtor-in-possession pursuant to sections 1107(a) and 1108
3 of the Bankruptcy Code.
4

5 2. No creditors’ committee has been appointed in this Chapter 11 case by the United
6 States Trustee.
7

8 3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
9 Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to
10 28 U.S.C. § 157(b)(2).
11

12 4. The statutory predicates for the relief requested herein are section 156(c) of title 28
13 of the United States Code, section 503(b) of the Bankruptcy Code and Fed. R. Bank. P. 2014
14 and 2016 (the “**Bankruptcy Rules**”).
15

16 RELIEF REQUESTED

17 5. By this Application, the Debtor seeks to retain and employ Cane Clark, subject to
18 that certain agreement for services, dated as of February 12, 2010, by and between Cane Clark
19 and the Debtor (such agreement together with all amendments, modifications, renewals thereof
20 and all documents ancillary thereto or otherwise entered into in connection therewith, are
21 collectively referred to herein as the “**Services Agreement**”), a copy of which is attached hereto
22 as **Exhibit B** and incorporated by reference herein.
23

24 6. Specifically, and as more particularly described below, the Debtor, being a public
25 company, seeks authorization for Cane Clark to continue as the Debtor’s securities counsel and
26 allow Cane Clark to continue preparing and filing all appropriate 10-K and 10-Q financial
27 reports to the Securities and Exchange Commission (“**SEC**”) as such reports may become due.
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b. 1933 Securities Act and 1934 Securities and Exchange Act reports with the Securities and Exchange Commission

c. Representation in connection with FINRA and matters related to the Debtor's quotation on the OTCBB under the symbol ADSY

PROFESSIONAL COMPENSATION

11. In accordance with section 330(a) of the Bankruptcy Code, the Debtor proposes to compensate Cane Clark on an hourly basis at its customary hourly rates for services rendered, plus reimbursement of actual, necessary expenses incurred by Cane Clark, as set forth in the Services Agreement. The primary members of Cane Clark who will be handling the above matters and their current standard hourly rates are:

	<u>Attorney</u>	<u>Hourly Rate</u>
(a)	Bryan R. Clark	\$410 per hour
(b)	Scott P. Doney	\$275 per hour
(c)	John J. Laxague	\$285 per hour

The Debtor expects that Cane Clark's limited role in this case will be to advise and represent the Debtor in connection with its reporting duties to the SEC. To that end, the Debtor expects that the number of hours expended by Cane Clark is expected to be quite small as compared with the hours to be expended by the Debtor's general bankruptcy and reorganization counsel. Accordingly, the Debtor believes that the staffing and the hourly rates set forth above are reasonable and should be approved.

12. Cane Clark will submit interim and final applications for compensation in accordance with the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure, the Local Rules of this Court and such other and further Orders as the Court may direct.

CANE CLARK's DISINTERESTEDNESS

13. To the best of the Debtor's knowledge and except as disclosed in the Doney Declaration, Cane Clark neither holds nor represents any interest materially adverse to the Debtor's estate in connection with any matter on which it would be employed and that it is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 as referred to in section 327(a) of the Bankruptcy Code.

14. Further, to the best of the Debtor's knowledge, Cane Clark does not have any connection with any creditors or other parties in interest, or their respective attorneys or accountants, or the United States Trustee or any of its employees, except as set forth in the Doney Declaration.

15. Should Cane Clark discover any new relevant facts or relationships bearing on the matters described herein during the period of its retention, Cane Clark will use reasonable efforts to file promptly a supplemental declaration.

NOTICE

16. The Debtors have provided notice of this Application by overnight mail and, when possible, electronic mail or facsimile to: (a) the U.S. Trustee; (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims; and (c) certain governmental agencies including the Internal Revenue Service, the United States Attorney's Office, the Clark County Assessor, the Clark County Treasurer and the Nevada Department of Taxation. In light of the nature of the relief requested, the Debtor submits that no further notice is required.

No Prior Request

17. No prior application for the relief requested herein has been made to this or any other court.

1 WHEREFORE, for the reasons set forth herein and in the Doney Declaration, the Debtor
2 respectfully requests that the Court enter an order (a) authorizing the Debtor to employ and retain
3 Cane Clark as their special securities counsel effective as of the Petition Date, (b) approving the
4 terms of the Services Agreement and (c) granting such other and further relief as is appropriate.
5

6 Dated this 17th day of December, 2010.

7
8 /s/Samuel A. Schwartz
9 Samuel A. Schwartz, Esq.
10 Nevada Bar No. 10985
11 Bryan A. Lindsey, Esq.
12 Nevada Bar No. 10662
13 The Schwartz Law Firm, Inc.
14 701 E. Bridger Avenue, Suite 120
15 Las Vegas, Nevada 89101
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18 Proposed Attorneys for the Debtor
19 and Debtor-in-Possession
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent via
ELECTRONIC MAIL to the following on December 17, 2010:

U.S. TRUSTEE - LV - 11
USTPRegion17.lv.ecf@usdoj.gov

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent via
REGULAR U.S. MAIL to the following on December 17, 2010:

Dept of Employment, Training and Rehab
Employment Security Division
500 East Third Street
Carson City, NV 89713

US Attorney
701 E. Bridger Avenue
Las Vegas, NV 89101

IRS
P.O. Box 21126
DPN 781
Philadelphia, PA 19114

Panos Industries, LLC
1350 East Flamingo Rd.
Las Vegas, NV 89119

Nevada Dept of Taxation, BK Section
555 E. Washington Ave. #1300
Las Vegas, NV 89101

R. Gordon Jones
1393 N. Bennett Circle
Farmington, UT 84025

J. Michael Heil
38888 Ridge Drive
Scio, OR 97374

SAALFELD GRIGGS PC
Randall P. Sutton, OSB
P.O. Box 470
Salem, OR 97308-0470

MegAvail, Inc.
Attn: Paul Hauer
15223 S. Henrici Road
Oregon City, OR 97045-9513

Clark County Assessor
500 South Grand Central Parkway
Las Vegas, NV 89155-1401

Clark County Treasurer
500 South Grand Central Parkway
P.O. Box 551220
Las Vegas, NV 89155-1220

/s/ Janine Lee
Janine Lee